

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



December 23, 1986

ALL COUNTY LETTER NO. 86-135

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: SOCIAL SECURITY COST-OF-LIVING INCREASES

Social Security recipients will receive a 1.3 percent cost-of-living increase in their Social Security benefits effective December 1, 1986, which is payable January 1987. This increase will affect grant and allotment amounts and could affect eligibility for Aid to Families with Dependent Children (AFDC), including AFDC/Foster Care, Refugee Cash Assistance (RCA), Refugee Demonstration Project (RDP), Entrant Cash Assistance (ECA), and Food Stamp cases. If the grant or allotment amounts are adjusted due to the Social Security benefit increase, the requirements for a timely and adequate Notice of Action shall apply.

Payment Verification System (PVS) COLA Notification

In the past SDSS has provided additional notification of the SSA cost-of-living increase via the Payment Verification System (PVS). Either a printout or magnetic tape was sent to all CWDs showing their aided recipients that receive SSA benefits. In order to eliminate unnecessary paperwork, this All County Letter will constitute the only notification to CWDs of the SSA cost-of-living increase. CWDs will receive their normal monthly PVS run as usual. SDSS will only provide a cost-of-living printout or magnetic tape upon request.

AFDC, RCA, RDP, ECA and Food Stamp Monthly Reporting Cases

For continuing cases, the Social Security increase must be reported on the January 1987 CA 7 due in February 1987, and retrospectively budgeted to determine grant and allotment amounts for March. These increases must also be considered prospectively when determining income eligibility for the month of January. The new Social Security benefit amount can be determined by multiplying the "old" Social Security benefit amount by 1.013.

Food Stamp Nonmonthly Reporting Cases

Nonmonthly reporting households are not required to report changes under \$25, but the CWD is required to act on known information. Therefore, the CWD must use the methods described in MPP Section 63-504.47 for identifying nonmonthly reporting households that receive Social Security benefits and for determining the amount of the new Social Security payment.

- o For nonmonthly reporting households not subject to retrospective budgeting, this increase shall be counted no later than for the May 1, 1987 allotment.
- o For nonmonthly reporting households subject to retrospective budgeting, this increase shall not be counted any earlier than the March 1, 1987 allotment but not any later than the May 1, 1987 allotment. However, the increase may affect prospective eligibility beginning with the month of January 1987.
- o While regulations are currently in process which will eliminate the category of nonmonthly reporting households which are subject to retrospective budgeting, the CWD must reflect the Social Security increase based on the budgeting procedures in effect for a particular household at the time it is identified as a recipient of Social Security benefits. Implementation instructions for the above mentioned regulation changes will be provided at a later time.
- o For those households identified as Social Security recipients through a desk review, the cost-of-living increase will be reflected by multiplying the "old" Social Security benefit amount by 1.013.

All New Applicants (AFDC, RCA, RDP, ECA and FS)

For new applications, the actual amount of the Social Security benefit shall be used for prospective eligibility and budgeting purposes.

No household shall be held liable for any food stamp overissuance resulting from the CWD's application of the 1.3 percentage increase factor. If an underissuance of food stamp benefits occurs, the household will be entitled to a restoration of lost benefits in accordance with MPP Section 63-802.

If you wish to receive your county's printouts or magnetic tape, please contact Bill Schmidt of the Fraud Program Management Bureau at (916) 924-2829 by December 31, 1986.

If you have any other questions, please contact the AFDC and Food Stamp Policy Implementation Bureau at (916) 322-5330.


 ROBERT A. HOREL
 Deputy Director

cc: CWDA